

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	FY 2009 REQUEST	GOVERNOR RECOMMENDS FY 2009
Office of the Director	\$ 25,495,865	\$ 34,493,437	\$ 33,305,194	\$ 33,458,884
Facility Services	1,250,499	0	0	0
Family Support Division	480,719,913	505,733,517	505,094,945	503,811,043
Children's Division	510,925,098	577,044,131	545,593,305	552,228,822
Division of Youth Services	57,626,444	61,768,032	65,342,416	63,270,502
MO HealthNet Division	4,712,273,911	5,465,078,676	6,185,097,884	6,145,312,075
DEPARTMENTAL TOTAL	\$ 5,788,291,730	\$ 6,644,117,793 *	\$ 7,334,433,744	\$ 7,298,081,326
General Revenue Fund	1,381,363,389	1,573,140,417	1,743,590,637	1,680,448,924
Title XIX - Federal and Other Funds	2,160,417,676	2,626,490,542	3,115,520,536	3,094,672,238
Temporary Assistance for Needy Families - Federal Funds	139,535,500	153,341,047	153,341,047	153,341,262
DSS - Federal and Other Funds	520,977,196	610,313,111	577,144,406	578,582,598
Uncompensated Care Fund	82,874,654	91,000,001	91,000,001	91,000,001
Pharmacy Rebates Fund	37,271,986	50,454,979	50,454,979	67,955,528
Third Party Liability Collections Fund	15,606,869	24,117,760	24,117,760	24,144,168
Federal Reimbursement Allowance Fund	1,046,357,902	1,004,731,814	1,090,531,814	1,090,534,494
Pharmacy Reimbursement Allowance Fund	9,886,790	31,933,124	31,933,124	31,933,855
Medicaid Managed Care Organization Reimbursement Allowance Fund	13,473,183	46,983,825	44,978,016	46,983,825
Family Support and Children's Divisions Donations Fund	9,443	133,994	133,994	133,994
Family Support Division Collections Fund	9,112,521	11,663,084	11,637,468	11,873,590
Nursing Facility Federal Reimbursement Allowance Fund	194,883,723	214,021,731	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	75,313	538,449	538,449	540,794
Health Initiatives Fund	16,064,695	21,546,819	21,546,819	28,583,585
Gaming Commission Fund	374,465	500,000	500,000	500,000
DSS Administrative Trust Fund	4,835,747	5,451,920	5,451,920	5,452,035
DSS Educational Improvement Fund	5,695,010	5,773,181	6,293,181	6,373,082
Blind Pension Fund	25,550,650	28,624,038	30,114,904	30,141,932
Healthy Families Trust Fund	0	64,779,494	64,779,494	67,977,034
Healthy Families Trust Fund-Health Care Treatment and Access Account	50,959,100	0	0	0
Healthy Families Trust Fund-Life Sciences Research Account	33,250,000	21,750,000	0	21,750,000
Youth Services Products Fund	0	25,000	1	1
Missouri Rx Plan Fund	8,147,698	10,709,260	10,709,260	10,730,525
Youth Services Treatment Fund	0	999	999	999
Early Childhood Development, Education and Care Fund	13,597,884	20,205,264	20,205,264	14,517,191
Premium Fund	7,322,410	13,637,940	13,637,940	13,637,940
Blindness Education, Screening and Treatment Program Fund	0	250,000	250,000	250,000
Alternative Care Trust Fund	10,647,926	12,000,000	12,000,000	12,000,000
Full-time equivalent employees	8,257.55	8,245.08	8,176.08	8,174.08

* Does not include \$16,330,619 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$7,744,148 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT SUMMARY

Governor Blunt's budget for Fiscal Year 2009 provides a total of \$7.3 billion for the Department of Social Services. Each day half of all Missouri residents receive services from the Department of Social Services. The core functions provided by the Department of Social Services include:

Children's Division

The Children's Division is dedicated to protecting the welfare of Missouri's children. The division's programs include: foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.

Income Maintenance

The Family Support Division is responsible for all income support programs and many of the state's child support enforcement functions. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.

Youth Services

The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

MO HealthNet Program

The MO HealthNet Program is responsible for the delivery of health care to over 825,000 of Missouri's neediest citizens, including the elderly, the disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort begun in 1965 to meet the health care needs of those who cannot pay for their own care. The program staff oversees the operation of the MO HealthNet, SCHIP (State Children's Health Insurance Program), and State Medical programs. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care. While states must meet certain minimum criteria, each state can establish eligibility guidelines, benefit packages, and provider payment rates for their state Medicaid Program.

**DEPARTMENT OF SOCIAL SERVICES
DEPARTMENTAL ADMINISTRATION**

OFFICE OF THE DIRECTOR

Departmental Administration includes the director, the director's staff, and the Human Resource Center (HRC). The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The HRC plans, develops, and implements statewide human resource programs and training curriculums, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Finance and Administrative Services provides centralized financial and administrative support to all Department of Social Services divisions. Financial related functions include audit support and contract compliance, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. Administrative support services include emergency management, telecommunications, warehouse/inventory coordination and distribution, mail services, and fleet management. In addition, staff responsible for the department's research and data management functions are included in the Division of Finance and Administrative Services.

The Division of Legal Services (DLS) provides comprehensive legal support to all program and support divisions in the department. DLS responsibilities include due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases. In addition, the STAT manages Missouri's Child Fatality Review Program (CFRP) and provides in-service training for CFRP panel members and other professional staff. DLS also coordinates the department's compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) by employing a privacy officer to ensure that HIPAA standards are implemented appropriately.

Fiscal Year 2009 Governor's Recommendations

- \$312,626 for pay plan, including \$214,173 general revenue.
- (\$1,050,000) federal funds reallocated to the Children's Division for education grants.
- (\$297,179) and (7.28) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$102,664) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Family Support Administration	\$ 25,445,791	\$ 27,289,470	\$ 26,859,840
Income Maintenance			
Income Maintenance Field Staff and Operations	85,104,081	92,667,334	98,184,606
Family Support Staff Training	522,074	536,515	536,515
Community Partnerships	8,131,123	8,301,711	8,304,423
Missouri Mentoring Partnership	1,329,995	1,384,987	1,384,987
Kids Mentoring	197,000	400,000	500,000
Family Nutrition Program	5,294,560	9,294,560	9,294,560
Temporary Assistance for Needy Families (TANF)	122,167,210	135,833,466	131,033,466
Adult Supplementation	93,816	100,000	88,000
Supplemental Nursing Care	25,391,722	25,807,581	25,807,581
Supplemental Security Income	23,515	0	0
Blind Pension	22,957,598	25,804,530	27,295,396
Refugee Assistance	2,815,055	4,008,853	4,008,853
Community Services Block Grant	17,011,322	19,144,171	19,144,171
Homeless Challenge Grant	471,850	500,000	500,000
Emergency Shelter Grants	1,340,000	1,340,000	1,340,000
Food Distribution Programs	1,052,352	1,175,585	1,175,585
Energy Assistance	55,151,970	40,817,949	40,826,051
Utilicare Transfer	6,317,148	0	0
Domestic Violence	5,859,659	6,437,653	6,437,653
Missouri Supplemental Food Stamp Program	0	3,000,000	0
Services for the Blind			
Blind Administration	4,665,997	4,874,546	4,993,042
Services for the Visually Impaired	6,318,086	8,459,151	8,459,151
Child Support Enforcement and Distributions			
Child Support Field Staff and Operations	30,977,695	40,932,455	40,014,163
Child Support Distributions	52,080,294	47,623,000	47,623,000
TOTAL	\$ 480,719,913	\$ 505,733,517	\$ 503,811,043
General Revenue Fund	86,404,735	93,971,290	95,290,730
Federal Funds	359,236,148	370,506,559	365,508,375
Other Funds	35,079,030	41,255,668	43,011,938

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance - Staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance eligibility specialists, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of residential care, assisted living, and non-Medicaid nursing facilities. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care, more in Assisted Living, and significantly more in Nursing Facilities. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. Currently both programs provide a maximum monthly grant of \$575. The third program, Adult Supplemental Payments, aids those who received Aid to the Blind before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for Supplemental Aid to the Blind. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

Services for the Blind - Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Child Support Field Staff and Operations – Child Support Enforcement staff, with the assistance of the Missouri Automated Child Support System (MACSS), locate missing parents, establish paternity, medical support, and financial child support obligations, and enforce the collection of support payments for TANF and for participating non-TANF families. The state retains approximately 33 percent of all child support collected on TANF cases.

Reimbursement to Counties – This program provides reimbursement to counties that have signed a cooperative agreement with the Department of Social Services. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. This funding also supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Distribution Pass Through – This appropriation provides a mechanism to disburse payments to families when the payment was collected by the department and to refund some overpayments from federal income tax refund intercepts. This appropriation also provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state income tax refund intercepts.

Fiscal Year 2009 Governor's Recommendations

- \$3,000,000 for an income maintenance call center to serve clients of the Department of Social Services, including \$1,500,000 general revenue.
- \$1,490,866 other funds to increase the monthly benefit payment to blind pension recipients from \$575 to \$609 per month.
- \$1,258,200 to replace federal matching funds for child support lost due to federal fees applied to child support cases.
- \$100,000 for youth mentoring.
- \$3,781,448 for pay plan, including \$1,857,799 general revenue.
- (\$11,552,988) and (63.72) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$3,396,559) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION**

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Children's Administration	\$ 6,551,041	\$ 7,210,786	\$ 7,339,305
Children's Field Staff and Operations	68,528,484	72,958,571	74,929,277
Child Welfare Accreditation	7,571,186	9,164,381	11,817,731
Children's Staff Training	1,510,841	1,545,691	1,545,691
Children's Treatment Services	12,645,700	13,992,238	12,242,238
Crisis Nursery	0	0	1,350,000
Teen Crisis Care	0	0	400,000
Foster Care	26,734,826	34,940,991	36,212,447
Adoption and Subsidized Guardianship	72,346,421	78,008,883	83,724,241
Adoption Resource Centers	0	300,000	300,000
Independent Living	1,830,952	3,000,000	4,050,000
Transitional Living	2,012,537	2,064,018	2,064,018
Children's Programs Pool	15,082,530	12,316,463	16,444,251
Child Assessment Centers	1,833,058	1,898,952	1,898,952
Residential Treatment Centers	79,739,210	82,748,042	43,413,054
Performance Based Case Management Contracts	20,021,857	27,493,118	23,570,066
Psychiatric Diversion	14,900,262	16,037,734	16,037,734
IV-E Court Contracts	224,738	700,000	700,000
Child Abuse and Neglect Grant	52,511	188,316	188,316
Foster Care Children's Account	10,647,926	12,000,000	12,000,000
Purchase of Child Care	168,206,018	198,575,947	200,101,501
Child Welfare Prevention	485,000	1,600,000	1,600,000
Child Abuse Prevention	0	300,000	300,000
TOTAL	\$ 510,925,098	\$ 577,044,131	\$ 552,228,822
General Revenue Fund	244,129,999	262,210,409	271,085,708
Federal Funds	242,467,502	282,370,254	254,365,734
Other Funds	24,327,597	32,463,468	26,777,380

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

Children's Administration – The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote safety, permanency, and well being for Missouri's children served by the Division. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

CD Field Staff and Operations/Staff Training/Child Welfare Accreditation – Provides funding and staff training for Children's Service workers and support staff to support the Children's Division (CD) programs in each of the 45 Judicial Circuits in the state. Front line staff respond to allegations of child abuse or neglect, provide assistance for families in need of services to keep or return children home safely, secure appropriate out of home placements for children placed in the Division's custody, and locate permanent homes when it is in the best interest of children. In addition, the Children's Division is in the process of seeking accreditation by the Council on Accreditation (COA). According to Section 210.113, RSMo, it is the intent and goal of the General Assembly to have the Department (Children's Division) attain accreditation by COA within five years of the effective date of this section (i.e. by August 28, 2009). To achieve accreditation, Missouri's child welfare system is reviewed and measured against nationally-recognized standards of best practice established by COA.

Children's Treatment Services, Intensive In-Home Services, Crisis Nursery, Teen Crisis Care and Prevention programs – The Children's Treatment Services funding provides a variety of contracted services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis nursery and teen crisis care services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. Children's Treatment Services also provides funding for intensive, in-home services to help prevent placement of children in foster care and keep children with their families. Prevention programs such as Crisis Nursery Centers, Teen Crisis Care Centers, home visitation, and other prevention programs provide services for families and children to prevent child abuse and neglect (CA/N) and to divert children from the state's custody.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$271; 6-12 years, \$322; and 13 and over, \$358. There are special placements with different rates, including Behavioral or Medical Foster Care (\$708 per month) and Career Foster Care (\$47 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt or become legal guardians of special needs children, in order to move these children from foster care into permanent family arrangements.

Children's Programs Pool – This pooled appropriation allows flexible spending for Children's Program areas.

Child Assessment Centers – Child Assessment Centers (CACs) provide a child friendly setting where children, reported to have been sexually abused, can be interviewed by multi-disciplinary team members and receive a single medical examination.

Residential Treatment, Transitional/Independent Living, and Title IV-E Court Contracts – Residential facilities are used when foster family care cannot meet the children's treatment needs. The division contracts with a wide range of residential programs, ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed or be accredited by one of three nationally recognized accrediting organizations. Transitional/Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Court contracts through the Title IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Performance Based Case Management Contracts – The Children's Division contracts with private agencies to provide foster/adoption case management services to children who have been removed from their homes and are under the jurisdiction of the Juvenile Court. These children have been abused and/or neglected or were found to be at serious risk of such. The goal of the performance based case management contracts is to improve safety, stability and timely permanency for these children, with states outcome expectations.

Psychiatric Diversion – This appropriation is a funding stream of which the primary purpose is to keep children out of expensive inpatient psychiatric hospitals, while providing them with the necessary services to help them deal with their severe behavioral and emotional problems.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Fiscal Year 2009 Governor's Recommendations

- \$8,500,000 to maintain child care eligibility limits at 127 percent of the federal poverty level and initiate a transitional benefit for incomes up to 150 percent of the federal poverty level, including \$2,400,000 general revenue.
- \$4,514,659 for adoption and guardianship subsidy caseload growth, including \$3,923,801 general revenue.
- \$3,687,519 to attain national accreditation for the state's Child Welfare Program, including \$2,705,074 general revenue.
- \$2,799,530 to fund a rate increase for providers of residential treatment services for abused and neglected children, including \$1,135,448 general revenue.
- \$2,000,000 federal funds for a rate increase for child care providers.
- \$1,500,000 to fund a new performance based contract for providers of residential treatment services for abused and neglected children, including \$848,419 general revenue.
- \$1,271,456 to fund a rate increase for foster care providers, including \$1,000,000 general revenue.
- \$1,200,699 for funding to increase the rates for families in the adoption and guardianship program, including \$1,000,000 in general revenue.
- \$1,000,000 federal funds to increase funding for the Early Head Start program.
- \$2,353,194 for pay plan, including \$1,520,872 general revenue.
- \$1,050,000 federal funds reallocated from the Office of Director for education grants.
- (\$42,134,518) reallocated to the MO HealthNet Division for treatment at residential facilities of abused and neglected children, including (\$5,606,265) general revenue.
- (\$12,489,362) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$68,486) transferred to the Office of Administration for leases, including (\$52,050) general revenue.

DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices work with central office staff to ensure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services provides academic and vocational education to youth in residential placement. The division has seven secure care facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderate care facilities and seven community-based facilities.

Alternative Services help youthful offenders adjust to community life and become law-abiding and productive citizens. The division provides several types of alternative services: case management and classification; community care which includes day treatment, intensive supervision, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Intensive supervision provides tracking and mentoring to youth in the community. Aftercare is the provision of counseling and other services to help juveniles return to their families and communities when released from one of the division's facilities. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2009 Governor's Recommendations

- \$520,000 Education Improvement Fund to replace passenger vans.
- \$68,448 to compensate for the inflation in food costs.
- \$1,386,461 for pay plan, including \$1,208,512 general revenue.
- (\$447,440) core reduction for one-time expenditures.
- (\$24,999) Youth Services Products Fund core reduction from the Fiscal Year 2008 appropriation level.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Administrative Services	\$ 47,825,014	\$ 100,237,717	\$ 138,723,017
MO HealthNet Vendor Payments and Managed Care	4,611,198,073	5,334,733,240	5,958,311,997
State Medical	26,364,550	27,732,719	30,777,061
Health Care Technology	26,886,274	2,375,000	17,500,000
TOTAL	\$ 4,712,273,911	\$ 5,465,078,676	\$ 6,145,312,075
General Revenue Fund	1,003,336,071	1,166,279,423	1,262,452,162
Title XIX -Federal and Other Funds	2,160,417,676	2,626,490,542	3,094,672,238
DSS - Federal and Other Funds	33,861,715	78,050,481	80,385,183
Uncompensated Care Fund	82,874,654	91,000,001	91,000,001
Pharmacy Rebates Fund	37,271,986	50,454,979	67,955,528
Third Party Liability Collections Fund	15,019,994	23,167,824	23,178,128
Federal Reimbursement Allowance Fund	1,046,357,902	1,004,731,814	1,090,534,494
Pharmacy Reimbursement Allowance Fund	9,886,790	31,933,124	31,933,855
Medicaid Managed Care Organization			
Reimbursement Allowance Fund	13,473,183	46,983,825	46,983,825
Nursing Facility Federal Reimbursement			
Allowance Fund	194,883,723	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	75,313	538,449	540,794
Health Initiatives Fund	15,135,696	20,549,789	27,558,637
Healthy Families Trust Fund	0	64,779,494	67,977,034
Healthy Families Trust Fund-Health Care			
Treatment and Access Account	50,959,100	0	0
Healthy Families Trust Fund-Life			
Sciences Research Account	33,250,000	21,750,000	21,750,000
Missouri Rx Plan Fund	8,147,698	10,709,260	10,730,525
Premium Fund	7,322,410	13,637,940	13,637,940

ADMINISTRATIVE SERVICES

The MO HealthNet Division is an intermediary for provision of services to participants, including both participants and providers. The agency's structure includes two major sections: (1) Finance and Operations and (2) Clinical Services.

Finance and Operations work to incorporate the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology is a robust reporting function that is critical to the management responsibilities of the division. The resultant database of paid claims is used to monitor the programs, provide program integrity, and compile data to project financial needs and trends. Provider enrollment and relations, participant services, and premium collections are also functions under the Finance and Operations section.

The Clinical Services section oversees pharmacy enhancement and rebates, the exception program, the psychology program, and the Missouri Rx Plan. Program development and the driving force of policy decisions come from the Clinical Services section, allowing for policy decisions and processes to be oriented to the health and continuum of care needed by participants. The Clinical Services unit reaches out to organizations through existing contracts, such as the University of Missouri Health Management Team, to assist in needed data mining and analysis. This information is used to make informed decisions about the consequences of proposed changes. The process allows for examination and analysis of performance in terms of efficiency of operations and anticipated health status outcomes. Utilizing a variety of sources, the Clinical Services unit establishes best practices based on evidence-based reviews. Missouri collaborates with other state Medicaid agencies to make high-quality evidence available as a basis for making policy decisions about benefit design and coverage.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

ADMINISTRATIVE SERVICES (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$22,800,580 for MO HealthNet participant case management, including \$9,600,702 general revenue.
- \$758,050 for MO HealthNet Program implementation, including \$379,025 general revenue.
- \$100,000 to fund comprehensive vision examinations for children entering kindergarten and first grade, including \$50,000 general revenue.
- \$309,035 for pay plan, including \$116,636 general revenue.
- \$15,749,999 reallocated to MO HealthNet participant case management, including \$4,954,378 general revenue.
- (\$1,132,364) federal funds core reduction to align authority with anticipated expenditures.
- (\$100,000) core reduction for one-time expenditures supporting the managed care actuarial study, including (\$50,000) general revenue.

MO HEALTHNET VENDOR PAYMENTS AND MANAGED CARE

The MO HealthNet Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

The 1115 Waiver is a federal-state effort to pay for women's health services. The SCHIP State Plan is the federal-state effort to pay for the health care of uninsured children above existing MO HealthNet eligibility limits up to 300 percent of the federal poverty level. Children will receive a benefit package equal to MO HealthNet coverage, though non-emergency medical transportation is not available to children in families with income above 150 percent of the federal poverty level.

**MO HEALTHNET EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Pharmacy	\$ 724,811,525	\$ 966,950,906	\$ 1,001,844,593
Physicians	419,648,512	480,762,260	499,500,857
Dental	9,164,713	10,163,381	29,765,760
Premium Payments	136,223,472	153,556,238	148,162,552
Nursing Facilities and Home Health	486,450,924	586,907,397	593,591,808
Rehabilitation and Specialty Services	167,467,845	196,540,908	244,816,588
Managed Care	770,695,453	999,330,249	1,124,414,599
Hospital Care	700,126,006	692,156,205	694,293,493
Safety Net Hospitals	5,132,381	23,000,000	8,000,000
FRA, NFFRA, and UCC	1,006,206,467	965,840,231	924,140,231
Health Care Access	2,387,382	2,977,449	13,516,804
Children's Health Insurance Program	110,619,955	163,842,163	179,893,859
Insure Missouri	0	13,235,001	416,900,001
Department of Elementary and Secondary Education Services	31,297,663	33,369,908	33,369,908
MO HealthNet Supplemental Pool	32,235,775	35,698,085	35,698,085
Other MO HealthNet	8,730,000	10,402,859	10,402,859
Total	\$ 4,611,198,073	\$ 5,334,733,240	\$ 5,958,311,997

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

MO HEALTHNET VENDOR PAYMENTS AND MANAGED CARE (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$347,565,000 to implement Phase 2 of Insure Missouri, including \$27,400,000 general revenue.
- \$103,447,666 to apply a 9.6 percent pharmacy trend factor and a 10.1 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$37,533,380 general revenue.
- \$72,432,099 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, utilization, and inflation, including \$9,138,353 general revenue.
- \$50,553,244 for a physicians rate increase to move MO HealthNet reimbursement rates to within 65% of Medicare provider rates, including \$17,938,382 general revenue.
- \$40,725,479 for an adjustment to address the change in the Medicaid federal participation percentage, including \$10,464,644 general revenue.
- \$26,177,343 for a nursing facility rate increase, including \$9,685,617 general revenue.
- \$24,627,787 for coverage of prescribed medically necessary dental and optometric services pursuant to SB 577 (2007), including \$9,112,281 general revenue.
- \$14,400,000 Federal Reimbursement Allowance Fund necessary to replace hospital program general revenue transferred to support Insure Missouri.
- \$12,962,561 for expansion of the Women's Health Program, including \$1,988,346 general revenue.
- \$8,642,000 federal and other funds for tobacco cessation pharmacy coverage for MO HealthNet participants.
- \$7,011,231 for a dental provider rate increase to raise MO HealthNet reimbursement rates, including \$2,485,362 general revenue.
- \$6,517,378 for anticipated increases in Medicare Part A and B premiums, including \$2,417,491 general revenue.
- \$4,785,876 to support the SB 577 (2007) State Children's Health Insurance Program's expansion, including \$1,239,542 general revenue.
- \$2,447,251 for an inflation cost and utilization increase to the non-emergency medical transportation rate, including \$905,483 general revenue.
- \$1,317,151 to fund comprehensive vision examinations for children entering kindergarten and first grade pursuant to SB 16 (2007), including \$479,164 general revenue.
- \$1,250,000 federal funds for an electronic prior authorization system for durable medical services.
- \$420,156 for anticipated increases to Medicare hospice rates, including \$155,458 general revenue.
- \$184,940 for an \$0.88 rate increase for in-home direct care workers, including \$68,428 general revenue.
- \$28,825,357 reallocated from program lines to align MO HealthNet program activity with funding, including \$717,725 general revenue.
- (\$68,525,675) core reduction from program lines to align appropriation authority with anticipated expenditures, including (\$28,000,000) general revenue.
- (\$40,725,479) core reduction for an adjustment to address the change in the Medicaid federal participation percentage, including (\$30,260,835) general revenue.
- (\$15,000,000) federal funds core reduction to align Tier 1 Safety Hospital authority with expenditure levels.
- (\$6,462,608) core reduction due to an increase in the nursing facility patient surplus, including (\$2,391,165) general revenue.

STATE MEDICAL

The MO HealthNet Program allows individuals who do not meet categorical eligibility criteria for Title XIX to receive nearly all of the same services which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

Fiscal Year 2009 Governor's Recommendations

- \$2,261,618 for a physicians rate increase to move MO HealthNet reimbursement rates to within 65 percent of Medicare provider rates.
- \$827,837 to address the rising costs in the Pharmacy Program due to new drugs, therapies, utilization, and inflation.
- \$14,638 for a dental provider rate increase to raise MO HealthNet reimbursement rates.
- \$6,087 to fund comprehensive vision examinations for children entering kindergarten and first grade pursuant to SB 16 (2007).
- (\$65,838) reallocated to MO HealthNet participant case management.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

HEALTH CARE TECHNOLOGY

Health care technology funding supports projects that promote the use of technology in health care, and create data automation systems that provide critical information about the population served. These initiatives also improve the delivery of care, reduce administrative burdens, and reduce waste, fraud and abuse.

Fiscal Year 2009 Governor's Recommendations

- \$15,000,000 transferred to the Health Care Technology Fund for projects and initiatives to improve the delivery of care; reduce administrative burdens; and reduce waste, fraud, and abuse, including \$7,000,000 general revenue.
- \$2,500,000 federal funds for the MO HealthNet Program health care technology initiatives.
- (\$2,375,000) federal funds reallocated to Clinical Services Management and program lines.